

# South Carolina Board of Economic Advisors

## Statement of Estimated State Revenue Impact

---

**Date:** February 5, 2008

**Bill Number:** S. B. 488 (As amended 04/18/07 by Senate)

**Author:** Ryberg and Anderson

**Committee Requesting Impact:** Senate Corrections & Penology

---

### Bill Summary

A bill to provide that the State shall forego any commission or other source of revenue derived from the placement of pay telephones in institutions of the Department of Corrections (CORR) and the Department of Juvenile Justice (DJJ) for the use of inmates and to provide that the State Budget and Control Board (B&CB) shall ensure that the telephone rates charged for the use of these pay phones reasonably reflect this foregone state revenue, **as amended**.

### REVENUE IMPACT <sup>1/</sup>

This bill, as amended, would reduce Departmental Revenues within the state's General Fund by \$1,150,000 in FY 2007-08. Furthermore, notwithstanding adoption of current proviso language in Part 1B, Section 89.41 of the Governor's State Budget proposal, this bill would otherwise reduce the state's General Fund in the same, but not cumulative, amount of \$1,150,000 in FY 2008-09.

### Explanation

This bill, as amended, would forego any commission or income from pay phones for use of inmates in an institution under administration of CORR or DJJ, retroactive to July 1, 2007. However, such pay phone income in FY 2007-08 for the period from April 1 through June 30, 2008, will be forgone under proviso 72.41 in Part 1B of Act 117 of 2007 (the State Budget for FY 2007-08). Because such temporary provisions supersede permanent law, this bill would only impact pay phone income during the July 1, 2007, through March 30, 2008, period in FY 2007-08.

Based on current revenue forecasts of the BEA and temporary provisions in Act 117 of 2007, forgoing pay phone revenue from these two agencies, effective July 1, 2007, and through the period ending March 30, 2008, would reduce Departmental Revenues within the General Fund by \$1,150,000 in FY 2007-08. Also, current language in Part 1B, Section 89.41 of the Governor's State Budget foregoes pay phone proceeds from CORR and DJJ in FY 2008-09. If the proviso is not further amended, then General Fund revenue would be reduced by \$1,150,000 in FY 2008-09 regardless of a change in permanent law. Or, if applicable language in the proviso is deleted prior to enactment of the Budget, then this bill would reduce General Fund revenue in the same, but not cumulative, amount of \$1,150,000 in FY 2008-09 under permanent law.

**Analyst:** Di Biase

/s/ William C. Gillespie

William C. Gillespie, Ph.D.  
Chief Economist

<sup>1/</sup> This statement meets revenue impact requirements of Section 2-7-71 for a state impact by BEA, Section 2-7-76 for a local impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by Office of Economic Research (OER).